

House Study Bill 687

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE, REGULATION AND
LABOR BILL BY CHAIRPERSON
JENKINS)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the uniform electronic transactions Act.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3 TLSB 6490HC 80
4 kk/cf/24

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1 1 Section 1. Section 554D.101, Code 2003, is amended to read
1 2 as follows:
1 3 554D.101 SHORT TITLE.
1 4 This chapter ~~shall be known and~~ may be cited as the
1 5 "Uniform Electronic Transactions Act".
1 6 Sec. 2. Section 554D.103, subsections 4, 5, and 7, Code
1 7 2003, are amended by striking the subsections.
1 8 Sec. 3. Section 554D.103, subsection 19, Code 2003, is
1 9 amended to read as follows:
1 10 19. "Transaction" means an action or set of actions
1 11 occurring between two or more persons relating to the conduct
1 12 of business, ~~consumer~~, commercial, or governmental affairs.
1 13 Sec. 4. Section 554D.104, Code Supplement 2003, is amended
1 14 to read as follows:
1 15 554D.104 SCOPE.
1 16 1. Except as provided in subsection 2, this chapter
1 17 applies to electronic records and electronic signatures
1 18 relating to a transaction.
1 19 2. ~~a. (1) This chapter does not apply to the following:~~
1 20 ~~(a) An application which would involve construction of a~~
1 21 ~~rule of law that is clearly inconsistent with the manifest~~
1 22 ~~intent of the body imposing the requirement or repugnant to~~
1 23 ~~the context of the same rule of law. However, the mere~~
1 24 ~~requirement that information be in writing, written, or~~
1 25 ~~printed shall not by itself be sufficient to establish an~~
1 26 ~~intent which is inconsistent with the requirement of this~~
1 27 ~~section.~~
1 28 ~~(b) With respect to a consumer transaction, a record that~~
1 29 ~~serves as a unique and transferable physical expression of~~
1 30 ~~rights and obligations including, without limitation,~~
1 31 ~~negotiable instruments and other instruments of title where~~
1 32 ~~possession of the instrument is deemed to confer title.~~
1 33 ~~(c) An electronic transaction initiated at a satellite~~
1 34 ~~terminal, as defined in section 527.2, or the processing and~~
1 35 ~~routing of transaction data by a central routing unit or a~~
2 1 ~~data processing center, each as defined in section 527.2.~~
2 2 ~~(2) Except as provided under paragraph "b", this This~~
2 3 chapter does not apply to a transaction to the extent it is
2 4 governed by any of the following:
2 5 ~~(a) A disclosure requirement associated with a consumer~~
2 6 ~~transaction, including, but not limited to, such disclosures~~
2 7 ~~required under chapter 13C, sections 321.69 and 321.71,~~
2 8 ~~chapters 516D, 523A, 523B, 523G, 533D, 537, 537B, 538A, 552,~~
2 9 ~~552A, 555A, 557A, 557B, 558A, 562A, and 562B, section 714.16,~~
2 10 ~~and chapters 714B and 714D, or an administrative rule adopted~~
2 11 ~~pursuant to such sections or chapters.~~
2 12 ~~(b) a. A rule of law governing the creation or execution~~
2 13 ~~of a will or trust, living will, a general, durable, or~~
2 14 ~~healthcare power of attorney, or a voluntary, involuntary, or~~
2 15 ~~standby guardianship or conservatorship wills, codicils, or~~
2 16 ~~testamentary trusts.~~
2 17 ~~(c) b. Chapter 554 other than articles 2 and 13 and~~
2 18 ~~sections 554.1107 and 554.1206.~~
2 19 ~~b. This chapter applies to an electronic record or~~
2 20 ~~electronic signature otherwise excluded from the application~~
2 21 ~~of this chapter under paragraph "a" to the extent it is~~
2 22 ~~governed by a law other than those specified in paragraph "a",~~

2 23 subparagraph (2).
2 24 3. A transaction subject to this chapter is also subject
2 25 to other applicable substantive law.
2 26 4. ~~A choice of law provision in a computer information~~
2 27 ~~agreement which provides that the contract is to be~~
2 28 ~~interpreted pursuant to the laws of a state that has enacted~~
2 29 ~~the uniform computer information transactions Act, as proposed~~
2 30 ~~by the national conference of commissioners on uniform state~~
2 31 ~~laws, or any substantially similar law, is voidable and the~~
2 32 ~~agreement shall be interpreted pursuant to the laws of this~~
2 33 ~~state if the party against whom enforcement of the choice of~~
2 34 ~~law provision is sought is a resident of this state or has its~~
2 35 ~~principal place of business located in this state. For~~
3 1 ~~purposes of this subsection, a "computer information~~
3 2 ~~agreement" means an agreement that would be governed by the~~
3 3 ~~uniform computer information transactions Act or substantially~~
3 4 ~~similar law as enacted in the state specified in the choice of~~
3 5 ~~laws provision if that state's law were applied to the~~
3 6 ~~agreement.~~
3 7 Sec. 5. Section 554D.110, subsection 4, paragraph b, Code
3 8 2003, is amended to read as follows:
3 9 b. A requirement under a law other than this chapter to
3 10 send, communicate, or transmit a record by ~~delivery in person,~~
3 11 ~~by first-class~~ mail postage prepaid, ~~or by courier~~ may be
3 12 varied by agreement to the extent permitted by the other law.
3 13 Sec. 6. Section 554D.111, subsection 3, Code 2003, is
3 14 amended by striking the subsection.
3 15 Sec. 7. Section 554D.114, subsection 7, Code 2003, is
3 16 amended to read as follows:
3 17 7. This section does not preclude a governmental agency of
3 18 this state from specifying additional requirements for the
3 19 retention of a record subject to the agency's jurisdiction.
3 20 Sec. 8. Section 554D.120, subsection 5, Code Supplement
3 21 2003, is amended by striking the subsection.
3 22 Sec. 9. NEW SECTION. 554D.124 SEVERABILITY.
3 23 If any provision of this chapter or the application thereof
3 24 to any person or circumstances is held invalid, the invalidity
3 25 shall not affect other provisions or applications of the
3 26 chapter which can be given effect without the invalid
3 27 provisions or application and, to this end, the provisions of
3 28 this chapter are severable.
3 29 Sec. 10. Section 554D.102, 554D.105, 554D.109, 554D.122,
3 30 and 554D.123, Code 2003, are repealed.
3 31 EXPLANATION
3 32 This bill relates to the uniform electronic transaction
3 33 Act. The bill strikes the definitions of "consumer",
3 34 "consumer transaction", and "digital signature". The bill
3 35 amends the definition of "transaction" to no longer include
4 1 actions relating to the conduct of consumer affairs.
4 2 The bill broadens the applicability of the chapter by
4 3 striking the following exceptions: where application of the
4 4 chapter would require a rule of law to be interpreted contrary
4 5 to the intent of the rule of law; to consumer transactions
4 6 records serving as negotiable instruments and other
4 7 instruments of title; to electronic transactions initiated at
4 8 a satellite terminal or the processing and routing of
4 9 transaction data by a central routing unit or data processing
4 10 center; to transactions governed by a disclosure requirement
4 11 associated with a consumer transaction; and to transactions
4 12 governed by a rule of law governing living wills, general,
4 13 durable, or healthcare power of attorney, or guardianships or
4 14 conservatorships.
4 15 The bill strikes the requirement that a choice of law
4 16 provision in a computer information agreement be interpreted
4 17 pursuant to the laws of this state if the party against whom
4 18 the choice of law provision is enforced is a resident or has
4 19 its principal place of business in this state.
4 20 The bill strikes the ability to vary by agreement a
4 21 requirement to deliver a record in person or by courier and
4 22 permits a requirement to send a record by first-class mail to
4 23 be varied by agreement. The bill strikes the provision
4 24 requiring the attribution and effect of an electronic record
4 25 and electronic signature in a consumer transaction to be
4 26 determined by the substantive law governing the transaction.
4 27 The bill strikes the requirement that board of regents
4 28 institutions conform with national electronic record and
4 29 electronic signature standards. The bill provides for the
4 30 severability of the provisions of the chapter if any provision
4 31 or applicability thereof is held invalid.
4 32 The bill repeals the sections of Code chapter 554D relating
4 33 to legislative intent, prospective application of the chapter,

4 34 the legal recognition of electronic records affecting
4 35 interests in real property, the interoperability of the
5 1 chapter with similar requirements adopted by other government
5 2 agencies, and the criminal penalty provisions for
5 3 misrepresentation of identity or authorization to obtain a
5 4 private key for use in a digital signature.
5 5 The bill makes other conforming amendments.
5 6 LSB 6490HC 80
5 7 kk/cf/24